



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE
REFER TO FILE:

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August 1, 2002

TO: Each Supervisor

FROM: James A. Noyes
Director of Public Works

FINANCIAL ACCOUNTING SYSTEM UPDATE - FINAL ACCEPTANCE

On August 12, 1997, the Board approved our contracting with KPMG Consulting to proceed with the implementation of our Financial Accounting System (FAS). FAS is an enterprise resource planning (ERP) financial solution, that was needed to improve our financial information, continue efforts to migrate our computer systems from a mainframe to a client/server environment, and to make our financial system Y2K compliant. The approved contract cost of \$3,959,750 was increased once by the Board for \$200,000 for a total cost of \$4,159,750. This system replaced four stand-alone systems (Financial, Inventory, Labor and Fixed Assets), as well as introduced two additional integrated functional modules (Purchasing and Budget) to the Department. Thirteen interfaces to the County central services systems have been developed and are working effectively and efficiently.

FAS was implemented on time and under budget July 1, 1999, and has functioned successfully since that time as illustrated by two successful year-end closings and numerous internal and external audits that have been absent of any material adverse findings. Final project acceptance was delayed due to the need to modify the software to conform system response time to contractual requirements and to incorporate into the software certain functionality and process improvements. The system is stable and is performing as specified in the Contract. KPMG Consulting has provided all contractual deliverables.

In addition to providing the baseline requirements, FAS has provided us with operational benefits such as a dramatic improvement in the timeliness and efficiency of paying our 4,500 monthly invoices and providing our staff the ability to monitor labor and other costs immediately upon entry into FAS.

Each Supervisor
August 1, 2002
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As required in our contract with KPMG Consulting, we will be submitting the Final Acceptance recommendation to your Board later this month and releasing the current withheld amount of approximately \$77,000 upon approval.

We wish to acknowledge the cooperation and performance of KPMG Consulting in partnering with us to accomplish the successful implementation of our financial ERP solution. If you have any questions, you may contact me or Chuck Adams of my staff at (626) 458-4006.

CWA:pm
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cc: Chief Administrative Office
Chief Information Office
County Counsel (Dave Michaelson)